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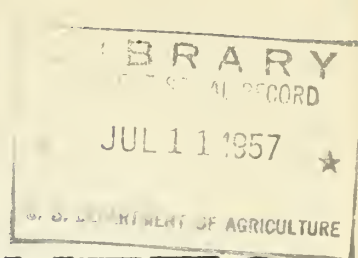
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Foreign



CROPS AND MARKETS

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FOREIGN CROPS AND MARKETS

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July 8, 1957

Foreign Crops and Markets

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RHODESIAN FLUE-CURED TOBACCO
PRICES STRONG AND RISING

The Salisbury tobacco auctions in Southern Rhodesia opened on March 12, 1957, leaf from Northwestern Rhodesia again being sold unidentified together with that from Southern Rhodesia. Sales in the first week averaged the equivalent of 42.5 U. S. cents per pound, 4.3 U. S. cents more than in the opening week last year.

Average auction prices during the current marketing season have been strong and have risen significantly during the past 4 months. Average price for the week which ended June 13 was equivalent to 50.7 U. S. cents per pound in contrast to 41.3 U. S. cents for the fourteenth week last year. Sales of flue-cured so far this marketing season total 67.8 million pounds at an average price of 46.7 U. S. cents per pound, compared with 62.8 million pounds at 38.5 U. S. cents per pound last year.

The sharp rise in Rhodesian flue-cured prices is partly due to a smaller crop, and the leaf is reportedly of better quality than a year ago. Lower and medium grade prices have advanced sharply. Some observers think this is due partly to the reduction in the United States 1957 flue-cured acreage and the prospects of a smaller U. S. crop this year. It seems probable that the average season price for Rhodesian flue-cured this year will be about 10 U. S. cents higher than the average of 38.5 U. S. cents in 1956.

LEAF TOBACCO: Southern Rhodesian, average weekly prices of 1957
flue-cured leaf for first 14 weeks on Salisbury auctions,
1956 and 1957

Week of sale	1956		1957	
	Average	Average	Average	Average
	weekly	price	weekly	price
	price	to date	price	to date
	U. S. cents	U. S. cents	U. S. cents	U. S. cents
	per pound	per pound	per pound	per pound
1.....	38.2	38.2	42.5	42.5
2.....	38.9	38.7	45.6	44.6
3.....	38.6	38.7	45.3	45.0
4.....	38.1	38.5	45.6	45.2
5.....	36.7	38.2	46.8	45.6
6.....	36.9	37.8	45.8	45.6
7.....	36.6	37.5	46.0	45.7
8.....	36.5	37.3	45.6	45.7
9.....	36.5	37.1	44.8	45.5
10.....	37.7	37.2	45.7	45.5
11.....	38.8	37.4	47.1	45.7
12.....	40.3	37.7	49.9	46.1
13.....	42.4	38.2	48.7	46.3
14.....	41.3	38.5	50.7	46.7

ARGENTINA'S TOBACCO EXPORTS RISE SHARPLY

Argentina's exports of unmanufactured tobacco are reported to have totaled 2.4 million pounds since the beginning of 1957. This is more than double the 1.1 million pounds exported in entire calendar year 1956. Most of the leaf consisted of criollo and misionero type tobacco.

SURINAM IMPOSES IMPORT QUOTA ON AMERICAN-TYPE CIGARETTES

American-type cigarettes entering Surinam are under a quota, according to a recent report. Cigarettes of Dutch origin are not subject to import quotas. The import quota for cigarettes (exclusive of those of Dutch origin) manufactured according to the American formula is 400,000 per month during 1957, compared with a monthly quota of 270,000 in 1956.

SYRIA INCREASES OUTPUT OF TOBACCO PRODUCTS

Output of tobacco products in Syria continued upward through 1956. Total production amounted to 6.9 million pounds and was 3 percent larger than in 1955. Cigarette output totaled 1.90 billion pieces, compared with 1.85 billion in 1955. Combined production of smoking and cut tobacco was 13 percent above the 1955 level of 2.1 million pounds. Output of water-pipe tobacco, totaling 295,000 pounds, has been declining in recent years.

URUGUAY'S IMPORTS OF U. S. TOBACCO UP

Uruguay's imports of United States tobaccos in 1956 totaled 2.5 million pounds, compared with 1.2 million in 1955. Purchases from the United States consist principally of flue-cured, along with smaller quantities of the other types. Liberalization of foreign exchange controls last August was an important factor contributing to increased imports of United States tobaccos.

CIGARETTE OUTPUT INCREASES IN CUBA

Cuban output of cigarettes rose during the first quarter of 1957 to 2.5 billion pieces, compared with 2.3 billion during the first quarter of 1956. Output of cigars dropped slightly during the first 3 months of 1957 to 82.5 million pieces, compared with 83.1 million in the comparable months of 1956. Output of cut tobacco in this same 3 month period dropped one-third below that of the same months last year.

NEW AUSTRALIAN IRRIGATION PROJECT MAY INCREASE TOBACCO ACREAGE

Water from the new Mareeba-Dimbulah dam, is expected to increase the acreage of irrigated tobacco (mainly flue-cured) in Queensland after the dam is completed in 1959. The additional water and the high prices assured for tobacco are expected to make increased tobacco production attractive.

ALGERIA'S LEAF TOBACCO EXPORTS DROP

Algeria's leaf tobacco exports during 1956, totaling 24.9 million pounds, were 25 percent below the 1955 level of 33.1 million pounds. Shipments to France declined from 25.4 million pounds in 1955 to 19.6 million in 1956.

MADAGASCAR'S LEAF TOBACCO EXPORTS DOWN SLIGHTLY

Madagascar's leaf tobacco exports in 1956 totaled 8.3 million pounds, compared with 8.6 million in 1955. Practically all of the country's exports are fermented Maryland-type leaf which is shipped to France. The average export price in terms of the official exchange rate was equivalent to 62.8 U. S. cents per pound in 1956, in comparison with 63.3 U. S. cents in 1955.

FRENCH EQUATORIAL AFRICA'S LEAF TOBACCO EXPORTS DOWN 37 PERCENT

Leaf tobacco exports from French Equatorial Africa in 1956, totaling 1.2 million pounds, were 37 percent below the 1955 level of 1.9 million pounds. Almost all of the leaf is shipped to France. The average export price rose from the equivalent of 17.6 U. S. cents per pound in 1955 to 18.4 U. S. cents in 1956.

CANADA MAY MODIFY FRUIT AND VEGETABLE TARIFFS

The Canadian Tariff Board announced on June 19 that public hearings will begin in Ottawa on July 29 to consider the need for revisions in the system of seasonal tariffs on fruits and vegetables.

These hearings are to be held on appeals from Canadian producers who believe revisions are justified by the important changes in techniques of production and methods of distribution, as well as in prices, that have taken place in recent years. Most fresh fruits and vegetables are initially affected, although the study will also include possible consequential amendments in tariff items covering the same fruits and vegetables in frozen, dried, canned, or other processed form.

FINLAND CONTINUES TO EXPORT BUTTER SURPLUS

Finland's surplus of dairy products, created by high milk production during the latter part of 1956, has carried over into 1957. As a result, large butter exports continue. To compensate for the difference between the domestic wholesale price and the lower price paid by importing countries, the Finnish Government has been paying an export subsidy of about 53 cents per pound. At this rate, it would have cost the government \$17,391,000 more than the \$26,000,000 allotted. The Finnish Cabinet therefore reduced the producer price of milk by about \$2.00 per cwt. (4 percent) on March 1, hoping to decrease milk production and reduce butter production costs.

Through the combined effects of reduced cost and a smaller supply, a saving on the export subsidy is anticipated, as well as a saving of about 2 1/2 cents per pound on the subsidy supporting the domestic wholesale price. Although livestock feed has not been as readily available as in the past, the amount of milk received by dairies increased 12 percent during the first quarter of 1957 over the first quarter of 1956. Butter exports totaled 6,258 tons during this period, whereas there were no butter exports during the first quarter of 1956. Milk production continued to increase; and in April the government allocated another \$4,000,000 for subsidy payments on butter during May and June.

CANADA TO IMPORT NONFAT DRY MILK

The Canadian Agricultural Products Board has been empowered by the Minister of Agriculture to negotiate contracts concerning the buying, selling, and importing of nonfat dry milk. The board plans to purchase from Australia and New Zealand quantities necessary to ease the immediate supply position.

AUSTRALIAN BUTTER AND CHEESE SHIPMENTS TO U. K. DECLINE

Arrivals of Australian butter in United Kingdom ports during May 1957 were down to 788,000 pounds from 9.2 million pounds during May 1956. No Australian cheese entered British ports in May 1957, in contrast to arrivals of 4.0 million pounds in May 1956. Both butter and cheese shipments afloat on May 31, 1957, and expected arrivals in June 1957 were considerably smaller than in 1956.

NETHERLANDS TO PERMIT U.S. POULTRY IMPORTS

The Netherlands Government, in a series of actions, has relaxed some of the rigid restrictions which have barred United States poultry imports for many years. Especially significant is the relaxation of Newcastle disease restrictions and the issuance of licenses to import turkeys from the United States. The Netherlands may prove to be an important market for United States poultry and poultry products.

DUTCH SUBSIDIZE SWEETENED CONDENSED MILK

Dutch producers of sweetened condensed milk are now receiving a subsidy from the Dairy Fund. Effective since May 25, the subsidy is about equal to the difference between the cost of 100 pounds of sugar to the Dutch condensed milk industry and \$7.00, an arbitrarily established figure. The subsidy will not be paid on condensed milk exports to Benelux countries.

COLOMBIA UNDERTAKES EXCHANGE REFORM PROGRAM

The Government of Colombia has undertaken, effective June 18, 1957, a comprehensive program of fiscal and monetary nature aimed at correcting the country's balance-of-payments difficulties. The program has the purpose of bringing imports into balance with foreign exchange earnings, and of liquidating a large backlog of arrears in commercial and other foreign payments.

Colombia's complex multiple currency system is being replaced by one in which all trade and most invisible transactions will move through a "certificate" market at a fluctuating rate of exchange. All export proceeds will be channeled through the Bank of Republic into the form of negotiable foreign exchange certificates. These will be salable for the financing of imports, freight, and certain other payments. A few types of non-commercial transactions will take place in a separate free exchange market supported by foreign exchange proceeds from transactions other than exports.

Export proceeds will be subject to an exchange tax of 15 percent and imports to an exchange tax of 10 percent; it is understood that the revenues therefrom will be used primarily for the liquidation of foreign payments arrears.

Quantitative restrictions on imports are to be eliminated. As long as Colombia's balance-of-payments situation continues difficult, a list of prohibited imports will be maintained. As a temporary measure, the previous prohibited list has been somewhat lengthened, but the Colombian Government has stated that it plans to reduce this list as soon as developments permit.

WORLD BUTTER AND CHEESE PRICES: Wholesale prices at specified markets,
with comparisons
(U. S. cents per pound)

Country, market, and description	Butter				Cheese			
	Quotations				Quotations			
	Cur-: Month : Year				Cur-: Month : Year			
	1957	rent:	earlier:	earlier:	1957	rent:	earlier:	earlier:
United Kingdom (London)								
New Zealand, finest	May 30	39.2	34.5	41.2				
Australian choicest	May 30	39.1	34.2	41.1				
New Zealand, finest white					May 30	24.6	24.5	31.8
Australian choicest white					May 30	24.0	22.5	30.4
Australia (Sydney)								
Choicest butter	May 31	44.7	44.7	45.3				
Choicest cheddar					May 31	28.2	28.2	27.5
Irish Republic (Dublin)								
Creamery butter	May 31	54.8	48.9	48.9				
Cheese					May 31	30.8	30.8	30.8
Denmark (Copenhagen)	May 30	33.0	33.0	34.6				
France (Paris)								
Charentes creamery	June 3	75.3	70.1	79.2				
Germany (Kempten)								
Markenbutter	May 29	68.6	69.1	66.1				
United States								
92-score creamery (N.Y.)	May 31	60.2	60.5	59.4				
Cheddar (Wisconsin)					May 31	35.2	35.0	35.4
Netherlands (Leeuwarden)								
Creamery butter	May 31	49.5	49.5	49.5				
Full cream Gouda					May 24	24.5	25.2	22.6
Edam, 40 percent					May 24	22.5	22.8	20.3
Belgium (Hasselt)	May 29	74.5	76.6	71.5				
Canada (Montreal)								
1st grade creamery	May 25	60.4	60.5	59.2				
Ontario white					May 25	35.7	35.8	30.8

Source: Intelligence Bulletin, the Commonwealth Economic Committee; and the Dairy Division, Agricultural Marketing Service, USDA.

BELGIAN WOOL INDUSTRY CONTINUES PROSPEROUS

Belgium's wool industry continues to expand. Operations were at peak levels during 1956 and the first quarter of 1957. Activity was particularly high in the washing and scouring plants, where production was up 26 percent in 1956 and 12 percent during the first quarter of 1957.

Exports of wool fabrics in 1956 totaled 51 million pounds, compared with 43 million pounds in 1955. About 75 percent of Belgian wool fabric production was exported last year.

WEST GERMANY ALLOWS IMPORTS OF U. S. VARIETY MEAT FOR FREE DOLLARS

West Germany has published its first free-dollar tender for United States' hog, beef, and mutton variety meats. The tender will replace the old premium dollar arrangement under which German importers of United States variety meats had to pay the government a premium of 11 percent for dollars. Import licenses will be issued for a period of 30 days each. The first day of customs clearance will be July 15, 1957, and the last will be April 30, 1958.

URUGUAY RAISES BEEF PRICES

The National Packing Plant at Montevideo, which has a monopoly on meat sales to Uruguay's capital city, has raised by 20 to 60 percent the price of beef in its retail outlets. The plant claims it is now losing about \$25,000 per day on its operations, and that its increase in price is necessary to cover the costs of cattle and operations.

ISRAEL IMPOSES DUTY ON HIDES AND SKINS

Israel has imposed a 7½-percent customs duty on raw and dried hides and skins, which have previously entered free. The duty became effective April 24, when it was announced by the Ministry of Finance. At the same time, the government abolished a 5 percent ad valorem purchase tax on manufactured and semi-manufactured skins, and also reduced the purchase tax on footwear from 7½ to 5 percent ad valorem.

These changes in Israel's customs law represent a shift in policy by taxing at the source rather than at later stages of leather processing. Finance authorities in Israel believe the new system will be more efficient and equitable.

CHILE ALLOWS SLAUGHTER OF COWS OVER 4 YEARS OLD

Chile has revoked its decree prohibiting the slaughter of cows over 4 years of age. However, the total number of cows which may be slaughtered each week is still set by the government. This action is expected to result in an increase in slaughter and a reduction in cow numbers, with a consequent slight increase in beef supply during the remainder of 1957.

AUSTRALIAN WOOL PRICES

Values of Australian wool sold during the week ending June 21 were firm to slightly below the previous week's level.

Sales were held at Sydney, Adelaide, and Albury, with offerings considerably higher than originally scheduled.

The principal buyers were Western Europe, the United Kingdom, and Japan, although Eastern European countries offered strong competition for suitable broad wools.

WOOL, RAW: Australia, average costs per pound on auction floors, clean basis, by quality classification, selected weeks

Type and grade	Week ended		
	6-22-56	6-14-57	6-21-57
	- - - - - U. S. dollars - - - - -		
Combing wools:			
70's Good.....	1.54	1.75	1.74
Average.....	1.48	1.67	1.65
64's Good.....	1.44	1.60	1.60
Average.....	1.37	1.53	1.51
60's Good.....	1.28	1.48	1.47
Average.....	1.20	1.40	1.40
58's Good.....	1.13	1.34	1.33
Average.....	1.06	1.25	1.25
56's Good.....	.96	1.22	1.22
Average.....	.92	1.15	1.14
50's Good.....	.92	1.05	1.04
Average.....	.80	1.02	1.01
Carding wools:			
Merino.....	.86	.84	.84
Comeback.....	.76	.76	.77
Fine Crossbred.....	.69	.69	.70
Medium Crossbred.....	.67	.68	.69

Source: Wool Statistical Service, Australian Wool Bureau.

NEW ZEALAND WOOL
SEASON CLOSES

The 1956-57 New Zealand wool-selling season closed with the Wellington auction of May 27, and was considered highly satisfactory. Prices for the season were the highest since 1951, and clearance of wool at auction was good. The Wool Commission was not called upon to purchase wool for support purposes, and neither the Wool Commission nor farmers are holding wool stocks at the present time.

Preliminary data indicate that the overall average price for New Zealand wool sold at auction was 62.4 cents per pound, greasy basis, compared with 53.2 cents last season. This was an increase of about 19 percent.

The large increase in sales of short wools, which were up about 30 percent, was probably the most significant aspect of the current season sales.

CHILE AUTHORIZES NEW
WHALING FACTORY

The Chilean Ministry of Economy has authorized a Japanese firm to establish a new whaling factory at Corral, in Valdivia Province. It is believed that the Chilean Government may authorize the foreign investment to reach the equivalent of U. S. \$1.2 million.

ARGENTINA AGAIN REDUCES "AFOROS"
ON SUNFLOWER SEED AND PEANUT OILS

The "aforos" on sunflower seed oil and peanut oil exports from Argentina were reduced for the second time this year on June 6. The new rates, compared with those which had been in effect since January 31 (in pesos per metric ton), are:

	<u>New rate</u>	<u>Old rate</u>
Sunflower seed oil	3,960	4,554
Peanut oil	4,230	4,824

The "aforo" represents the peso equivalent (calculated at the official rate of exchange) of that part of the f.o.b. value of each ton of exported product which exporters must exchange for pesos at the official rate (18 pesos per dollar). Any foreign exchange earnings in excess of the "aforo" rate may be exchanged at the current free market rate (about 40 pesos per dollar). "Aforo" rates are designed to stimulate or deter exports of specific commodities at specific times in accordance with Argentine and foreign market conditions and Argentine policies.

CHILE CONSTRUCTING GRAPESEED OIL PLANT

Machinery for a grapeseed oil extraction plant, located in Linares Province in south Chile, has arrived from West Germany. Production of edible grapeseed oil from this plant is expected to be around 3,000 short tons annually.

IRELAND REMOVES IMPORT LICENSE REQUIREMENT

The Irish Ministry of Agriculture, on June 6, 1957, issued an order effective July 1, 1957, exempting importers of the following commodities from the requirement of obtaining import licenses, provided imports of these commodities are consigned from a country outside continental Europe.

1. Flaxseed and linseed cake and meal
2. Peanuts and peanut cake and meal
3. Copra and coconut cake and meal
4. Palm kernels and palm kernel cake and meal
5. Soybeans and soybean cake and meal

All of the above items are free of import duty except soybeans and soybean cake and meal, which pay a duty of £4.04 per cwt. (112 pounds), (U. S. \$10.50 per 100 pounds) except imports from the United Kingdom, which enter duty free.

LARGE TURKISH RAISIN CROP FORECAST

The 1957 Turkish sultana crop has been forecast at 100,000 to 110,000 short tons. This would approximate the record-large 1956 sultana crop. Average production (1950-54) is 71,600 tons.

SMUGGLING OF TURKISH PISTACHIOS CONTINUES

Nearly half of all 1956 Turkish pistachio production moved into Syria via the black market route, according to trade estimates. The illegal price for pistachios is reportedly as high as 81 cents per pound, unshelled basis. The government domestic price for the 1956 crop was 59.1 cents per pound for unshelled pistachios, while the official export price was 49.9 cents per pound.

Estimates of 1956 Turkish pistachio production remain at 14,300 short tons. Production for 1957, an off-season year, however, is forecast at 7,700 tons. The forecast also reflects serious crop losses from hailstorms in the Gazientep area.

YUGOSLAVIA'S WHEAT PROSPECTS PROMISING

Yugoslavia's 1957 wheat crop prospects indicate a harvest about 35 percent above the small 1956 production. Unofficial forecasts place this year's crop at about 88 million bushels, compared with only 65 million in 1956. The outlook is also good for the other small grains, barley, oats, and rye.

Yield prospects are better than in 1956, especially for wheat. Preliminary forecasts place prospective yields at about 19 bushels per acre, compared with about 16 bushels per acre in 1956. A substantial increase in wheat acreage also contributes to the favorable outlook.

Though some crops were destroyed by floods in late May, latest information indicates that only a small proportion of the grain crop was damaged. Damage reported was in central and southern Yugoslavia.

ITALY EXPECTS ANOTHER LARGE WHEAT CROP

Italy is expecting another large wheat crop, though possibly not up to the 1956 harvest, according to latest forecasts. Trade forecasts of the harvest now under way indicate that production may be 295 to 315 million bushels. By comparison, production was 319 million bushels last year, and the 1950-54 average was 288 million.

Present forecasts, though large, are somewhat below earlier-season predictions of a record outturn. The weather was very favorable from fall until early spring, but there was a cold wave in April and prolonged unfavorable weather in May. The harvest throughout much of Italy is about 2 weeks late as a result of the bad weather.

CUBA ANNOUNCES RICE IMPORT QUOTA

In a resolution issued June 18, the Cuban Ministry of Commerce set the low-duty rice quota for 1957-58 (July-June) at 3,250,000 quintals, or 3,295,890 bags of 100 pounds each, the same as in 1956-57.

No important changes were made in the regulations for distribution among importers. The entire quota, including the 3 percent normally retained for emergencies, was allocated to importers on a quarterly basis substantially the same as the 1956-57 quota. The 1957-58 quota by quarters is (in bags): first quarter, 865,830; second quarter, 999,314; third quarter, 1,024,692; and fourth quarter, 406,054.

MEXICO AGAIN EXPORTS RICE

The sale for export of 14,000 metric tons (30,860,000 pounds) of Mexican rice was announced in June 1957 by the Confederation of Agricultural Associations of the State of Sinaloa. Rice exports in April amounted to 2,357 metric tons (5,196,000 pounds), bringing the January-April total to 3,356 metric tons (7,400,000 pounds). Exports in 1957 will thus be the largest from Mexico since 1950.

Rice production in Mexico has increased markedly in the last 2 years, and further expansion is expected. Present indications are that the total area to be planted to rice in 1957 will be around 311,000 acres, an increase of 10 percent over that of 1956.

RICE: Mexican acreage, yield per acre, and production, averages 1940-54, annual 1953-56

Year	Acreage	Yield per acre	Production	
			Rough	Milled
				equivalent 1/
	1,000 acres	Pounds	Million pounds	Million pounds
Average:				
1940-44.....	155	1,547	239.8	156
1945-49.....	190	1,731	328.9	214
1950-54.....	235	1,574	369.9	240
1953.....	232	1,442	334.5	217
1954.....	222	1,687	374.6	243
1955.....	237	1,954	463.0	301
1956.....	284	1,901	540.0	351

1/ Converted at 65 percent.

Compiled from official sources and foreign reports.

The opening of new lands to cultivation, especially in the States of Veracruz and Sinaloa, the availability of official credit, and favorable prices on the domestic market have been the principal factors in this expansion.

The State of Veracruz is expected to have the largest increase in rice acreage this year. Production is expanding rapidly in the Actopan district, between Jalapa and the Gulf Coast. Another rice area is in the Papaloapan Valley, where new roads have made it possible to cultivate new lands, both irrigated and unirrigated. The extent to which these areas grow rice will depend largely on prices in domestic and foreign markets. An increase in rice acreage is expected in the Fuerte Valley of Sinaloa, where the new Miguel Hidalgo dam has made more irrigated land available. In the Culiacan district of Sinaloa, however, rice acreage may decline as a result of the shortage of water for irrigation.

INDONESIAN COPRA EXPORTS DOWN

Indonesian copra exports in April, preliminarily estimated at 11,373 long tons gross weight, were down one-half from March and were 43 percent below April 1956 shipments.

However, cumulative copra exports during January-April--84,659 long tons--were still running 83 percent ahead of exports in the first 4 months of 1956. Other exports in April were: palm kernels--4,896 short tons, palm oil--8,997 short tons, and copra cake--9,365 long tons.

TRANSSHIPMENTS OF MEXICAN
COTTON DECLINE IN APRIL

Transshipments of Mexican cotton through United States ports were 33,000 bales (500 pounds gross) during April 1957, continuing the decline registered throughout the 1956-57 season. Transshipments in March were 38,000 bales and those in April 1956 were 103,000 bales.

Transshipments during August-April 1956-57 were 818,000 bales, a 30 percent drop from transshipments of 1,164,000 bales in the same months a year ago. Volume to many countries was down by about half. Moderate increases were shown for Japan and France.

Quantities transshipped during August-April 1956-57, with comparable 1955-56 figures in parentheses, were: Japan 287,000 bales (237,000); West Germany 119,000 (258,000); the United Kingdom 88,000 (169,000); France 72,000 (22,000); the Netherlands 66,000 (128,000); Belgium 61,000 (103,000); Italy 30,000 (62,000); Sweden 26,000 (55,000); Australia 18,000 (22,000); and Switzerland 15,000 (21,000).

Direct exports from Mexico to foreign destinations during August-April 1956-57 totaled 433,000 bales, compared with 572,000 a year ago.

PORTUGUESE COLONIAL COTTON
PRICES SAME AS LAST YEAR

Cotton prices for the 1957 crop in the Portuguese colonies, Angola and Mozambique, have been established at the same level as for 1956. By official decree, published June 18, 1957, the price is fixed at an average of 19.30 escudos per kilogram c.i.f. metropolitan Portugal ports (equivalent to 30.64 U. S. cents per pound--1 escudo equals 3.5 cents). The decree also states that importers in Portugal will be required to buy a maximum of 40,000 tons (184,000 bales of 500 pounds gross) of Colonial cotton from the 1957 crop. However, private estimates place the 1957 crop at only 160,000 to 165,000 bales.

SYRIA'S COTTON EXPORTS DECLINE

Syria's cotton exports during August-April 1956-57 were 288,000 bales (500 pounds gross), down 19 percent from 354,000 bales in the same period last year. Much larger quantities moved to Communist Bloc countries this year, partially offsetting declines in exports to France, the United Kingdom, West Germany, Italy, Japan, and Belgium. France remained the largest outlet for Syrian cotton, but cut its imports by half.

Quantities exported to principal destinations in the current period, with comparable August-April 1955-56 figures in parentheses, were: France 82,000 bales (161,000); Communist China 39,000 (none); Czechoslovakia 37,000 (4,000); Italy 26,000 (45,000); Bulgaria 19,000 (3,000); Poland 15,000 (2,000); West Germany 9,000 (19,000); Yugoslavia 9,000 (6,000); Japan 6,000 (23,000); the U.S.S.R. 5,000 (none); the United Kingdom 3,000 (36,000); and Belgium 500 (8,000). Transshipments through Lebanon were 14,000 bales, in contrast to 38,000 last year.

The Suez situation was instrumental in reducing Syria's cotton exports this season. It also led to the shift in destinations from Western European to Soviet Bloc countries. Heavy export volume from the new crop usually begins in September, but this season it was delayed until about November. Some sales of cotton to Soviet Bloc countries were made by Syrian exporters against barter transactions or other exchange arrangements, some under credit terms.

Syria's 1956-57 cotton production is an estimated 420,000 bales, down sharply from earlier estimates, but 5 percent higher than the 400,000 bales produced in 1955-56. Estimated cotton acreage in 1956-57 is 675,000 acres, up 13 percent from the 1955-56 area of 600,000 acres. A cold wave late in the picking season damaged late plantings for the 1956-57 crop. Prospects for 1957-58 cotton production are favorable. Exceptional ground moisture throughout Syria promises another record crop. The continued upward trend has tripled cotton production in the last 6 years. Last year the government initiated a policy of producing a unified cotton crop of one variety--Coker 100 Wilt, an American upland variety. The Agricultural Bank, which sells the seed to growers, is responsible for seed distribution. Plans for 1957 include distribution of 3,500 metric tons of imported American Coker 100 Wilt seed and 8,000 tons of locally grown seed of the same variety.

Estimated cotton consumption in 1955-56 was 39,000 bales, slightly higher than the 36,000 bales consumed in 1954-55. Drought conditions in 1955 impaired the general agricultural situation and weakened the purchasing power of farmers, who consume most of the standard cotton textiles produced by the local industry. Consumption in 1956-57 is expected to be around 46,000 bales.

Stocks on May 1, 1957, estimated on the basis of the foregoing figures, would approximate 115,000 bales--considerably higher than a year ago and a reflection of the slowdown in exports. Stocks on August 1, 1956, were reported at 18,000 bales.

U.K. CONTINUES GRAINS DEFICIENCY PAYMENTS PROGRAM

The United Kingdom is continuing its grains deficiency payments program for the 1957-58 (July-June) marketing season. However, it has established new guaranteed minimum producer prices and has adopted a new basis for determining deficiency payments for barley. In all other respects, the program is virtually unchanged.

The new guaranteed "at farm" minimum producer prices average 28s. 7d. per hundredweight of 112 pounds (\$2.14 per bushel) for home grown wheat, 22s. 1d. per cwt. (\$1.55 per bushel) for rye, 29s. 0d. per cwt. (\$1.74 per bushel) for barley, and 27s. 5d. per cwt. (\$1.10 per bushel) for oats. The 1957-58 wheat price is 13 cents per bushel lower, and that of rye 8 cents per bushel lower, than for the 1956-57 season. Barley and oats prices have been increased 17 cents and 10 cents respectively.

These price changes are in accordance with the government's policy to encourage farmers to grow less wheat and rye and more feed grains. One reason for this policy is the large existing wheat surpluses, especially in Commonwealth countries. Another is that increased feed grain production is needed for the desired expansion in livestock enterprises, particularly beef cattle and sheep enterprises. In line with this policy, price guarantees for fat steers and heifers, and for fat sheep and lambs, have also been increased.

With respect to wheat, the year is still divided into 5 periods with a fixed minimum, or "standard," producer price for each. The price increases from 26s. 1d. per cwt. (\$1.95 per bushel) in the first period to 31s. 1d. per cwt. (\$2.33 per bushel) for the last period. The purpose is to encourage orderly marketing throughout the year. For each of the other 3 grains--rye, barley, and oats--there is only one minimum guaranteed producer price for the entire year.

WHEAT: United Kingdom, guaranteed minimum producer prices,
1956-57 and 1957-58

Accounting period	1956-57		1957-58	
	Per 112	Per	Per 112	Per
	pounds	bushel	pounds	bushel
	s. d.	U.S. dollars	s. d.	U.S. dollars
July 1-September 30...	27 6	2.06	26 1	1.96
October 1-November 30..	29 0	2.17	27 7	2.07
December 1-February 28:	30 8	2.30	29 1	2.18
March 1-April 30.....	32 1	2.41	30 8	2.30
May 1-June 30.....	32 6	2.44	31 1	2.33

(continued on page 18)

Only growers registered under the U.K. program are eligible for deficiency payments. Prices received by wheat farmers for home-grown grain sold on commercial markets during each of the 5 periods are averaged shortly after each period. If the average falls short of the national standard for the period, the farmers selling the wheat will receive a deficiency payment equal to the difference. The total each wheat grower receives will be the deficiency payment per cwt. times the quantity he sold during the period. In the case of rye, the procedure is the same, except that the payment is made on an annual basis. Deficiency payments are payable on all eligible home-grown wheat and rye harvested in 1957 or earlier which is sold and delivered by registered growers during the 1957-58 marketing season.

Deficiency payments for oats and barley are also on an annual basis. Any shortfall however, in the calculated national average price per cwt. below the established national standard is converted into a deficiency payment per acre. This is done by multiplying the price deficiency per cwt. by the national average yield per acre for the 5 years 1952 to 1956, inclusive, less 7.5 per cent for tailings, screenings, unsound grain, and waste. The actual total amount of the deficiency payment which each producer can receive will be the deficiency payment per acre times the number of acres on which he grew the grain for harvesting as grain this year in 1957.

Beginning with the 1957 crop all reported sales of barley by farmers to private dealers will be used in calculating the national average realized price for this grain. Previously, only sales at or below a ceiling price (roughly the line between the range of prices at which barley was sold for feed and the range at which it was sold for industrial purposes) were used in this calculation. This policy change simplifies the method of calculating the national average price. Deficiency payments to growers of oats and barley, or any mixtures of grains, will be paid to each registered grower who had one acre or more in the crop; payments will be on the basis of quarter acres, e.g., a farmer who has $5\frac{1}{4}$ acres under oats will receive a payment equal to $5\frac{1}{4}$ times the deficiency payment per acre for oats.

UNITED KINGDOM: Officially guaranteed minimum producer prices
for 1956-57 and 1957-58 grain crops

Grain	1956-57		1957-58	
	Per 112	Per	Per 112	Per
	pounds	bushel	pounds	bushel
	s.	d.	s.	d.
Wheat 1/	30	4	28	7
Rye	23	3	22	1
Barley	26	2	29	0
Oats	25	0	27	5

1/ These are the averages of the respective prices for the five separate marketing periods into which each year is divided.

RECORD FRENCH WEST AFRICAN
PEANUT OUTPUT CONFIRMED

Final estimates of 1956-57 commercial peanut output in French West Africa confirm earlier estimates of a record 1,025,000 short tons in shell.

PEANUTS 1/: French West African purchases, 1954-55, 1955-56,
and revised 1956-57

Territory	1954-55	1955-56	1956-57 <u>2</u> /
	<u>Short tons</u>	<u>Short tons</u>	<u>Short tons</u>
Senegal.....	430,700	594,100	746,300
Soudan.....	88,200	82,700	96,100
Niger.....	77,200	148,800	154,300
Other.....	34,400	27,600	26,800
Total.....	630,500	853,200	1,023,500

1/ In shell.

2/ Revised.

The final figure for total 1956-57 production is 1,200,000 tons, much lower than the earlier estimate of 1,465,000 tons, but still the largest crop on record. Only around 15 percent of the crop was held for food and seed instead of the usual 30 percent.

Large stocks of peanuts are causing concern in government and trade circles. The French Government guarantees prices of oil for only about 250,000 tons in terms of peanut oil, while the oil equivalent of 1956-57 production is 330,000 tons.

French West African agricultural officials say that--given favorable weather--the 1957-58 peanut crop will equal or exceed the current record crop. Seed peanuts are of high quality, and a large percentage are of a new high-yielding variety developed at the Bambey Agricultural Research Station in Senegal; and as farmers are in better financial position than in previous years, they will probably save more peanuts for seed this year.

CANADA'S 1956-57 WHEAT AND FLOUR EXPORTS REMAIN NEAR 1955-56 LEVEL

Current indications are that Canada's wheat and flour exports during the fiscal year ended June 30, 1957, were about the same as the 289 million bushels exported during 1955-56. Exports officially reported by the International Trade Division of the Dominion Bureau of Statistics for July-April amounted to 241 million bushels, compared with 210 during the same period a year earlier. Inspections of wheat for export during May and June indicate that shipments abroad during those 2 months amounted to approximately 50 million bushels.

Destination of the May-June exports are not yet available. The quantities in millions of bushels taken by the major importing countries during the first 10 months (July-April) of 1956-57, with comparative figures for the same period in 1955-56 shown in parentheses, were as follows: United Kingdom, 81.6 (82.8); West Germany, 36.9 (19.0); Japan, 27.8 (22.8); Belgium-Luxembourg, 14.0 (10.9); Netherlands, 11.4 (6.5); Switzerland, 8.6 (5.1); United States, 7.1 (8.4); and the Philippine Republic, 5.3 (4.6). (See table, p. 21.)

ARGENTINE BANS CASEIN EXPORTS TO BRAZIL

Casein exports to Brazil have been suspended by the Argentina Export-Import Board pending final action by the Central Bank. The ban is the result of a build-up of a triangular trade in casein with the United States as the recipient.

The Brazil casein purchases reportedly were made under a barter currency arrangement which, in effect, gave the Brazilian middleman the opportunity to purchase casein at a discount from prices quoted directly to the United States.

Trade statistics do not as yet bear out the triangular trade arrangement. Exports of casein from Brazil to the United States during the first 3 months of 1957 amounted to 119,000 pounds, about the same shipped during the first quarter of 1956 (Foreign Crops and Markets, June 24, 1957); Bureau of Census statistics show the 1957 casein shipments from Brazil were all received in March.

With the banning of casein exports, the barter currency available to Brazil will be honored only in the purchase of Argentine fruit.

WHEAT AND FLOUR: Canada, exports by country of destination
July-April 1955-56 and 1956-57

Destination	July-April 1955-56			July-April 1956-57		
	Wheat	Flour	Total	Wheat	Flour	Total
	(Thousand bushels, grain equivalent)					
Western Hemisphere:						
United States.....	7,704	678	8,382	5,836	1,267	7,103
Central America.....	126	1,593	1,719	112	1,174	1,286
British West Indies..	27	4,341	4,368	17	4,128	4,145
Cuba.....	229	500	729	1	281	282
Colombia.....	-	214	214	-	108	108
Venezuela.....	64	3,087	3,151	63	2,721	2,784
Ecuador.....	1,386	-	1,386	459	-	459
Peru.....	210	41	251	2,844	17	2,861
Others.....	2	1,298	1,300	-	1,180	1,180
Total.....	9,748	11,752	21,500	9,332	10,876	20,208
Europe:						
Norway.....	3,368	-	3,368	4,214	-	4,214
United Kingdom.....	73,531	9,232	82,763	71,718	9,922	81,640
Ireland.....	2,208	-	2,208	3,169	-	3,169
Netherlands.....	6,451	1	6,452	11,438	6	11,444
Belgium-Luxembourg..	10,673	254	10,927	13,518	500	14,018
France.....	668	1	669	1,471	-	1,471
West Germany.....	18,765	207	18,972	36,921	1/	36,921
Austria.....	1,813	-	1,813	1,295	-	1,295
Czechoslovakia.....	-	-	-	4,371	-	4,371
Switzerland.....	5,082	-	5,082	8,571	1/	8,571
Poland.....	9,068	-	9,068	2,599	-	2,599
Russia.....	877	-	877	4,127	-	4,127
Italy.....	4,469	188	4,657	2,966	3	2,969
Others.....	2,659	224	2,883	1,962	209	2,171
Total.....	139,632	10,107	149,739	168,340	10,640	178,980
Asia:						
Israel.....	724	-	724	1,685	-	1,685
Pakistan.....	-	-	-	1,008	3	1,011
Philippines.....	-	4,613	4,613	-	5,301	5,301
Japan.....	22,212	578	22,790	27,122	680	27,802
Others.....	1,338	1,742	3,080	894	2,086	2,980
Total.....	24,274	6,933	31,207	30,709	8,070	38,779
Africa:						
British West Africa..	-	1,042	1,042	-	1,182	1,182
Union of South Africa	4,337	-	4,337	1,002	-	1,002
Others.....	462	775	1,237	252	415	667
Total.....	4,799	1,817	6,616	1,254	1,597	2,851
Oceania.....	-	74	74	-	47	47
World Total.....	178,453	30,683	209,136	209,635	31,230	240,865

1/ Less than 500 bushels.

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